



A background photograph shows a young man with short brown hair and a beard, smiling warmly at the camera. He is wearing a dark blue button-down shirt. In the upper left corner of the image, a close-up of a car's front wheel and tire is visible, suggesting a automotive repair or service setting. The overall composition is professional and approachable.

OUTSOURCED ACCOUNTING FOR INDEPENDENT AUTOCARE AND FRANCHISE OWNERS

OUTSOURCED ACCOUNTING FOR INDEPENDENT AUTO CARE AND FRANCHISE OWNERS

There are over 234,000 auto shops in the United States alone, and each comes with its own complications and challenges. Whether you have an auto care shop or own a franchise, you can use outsourced accounting to rise above the challenges and turn them into opportunities. Here are some of the most common challenges auto care and franchise owners face and how upgrading from in-house to outsourced accounting can power your success.



COMMON CHALLENGES FOR AUTO CARE AND FRANCHISE OWNERS

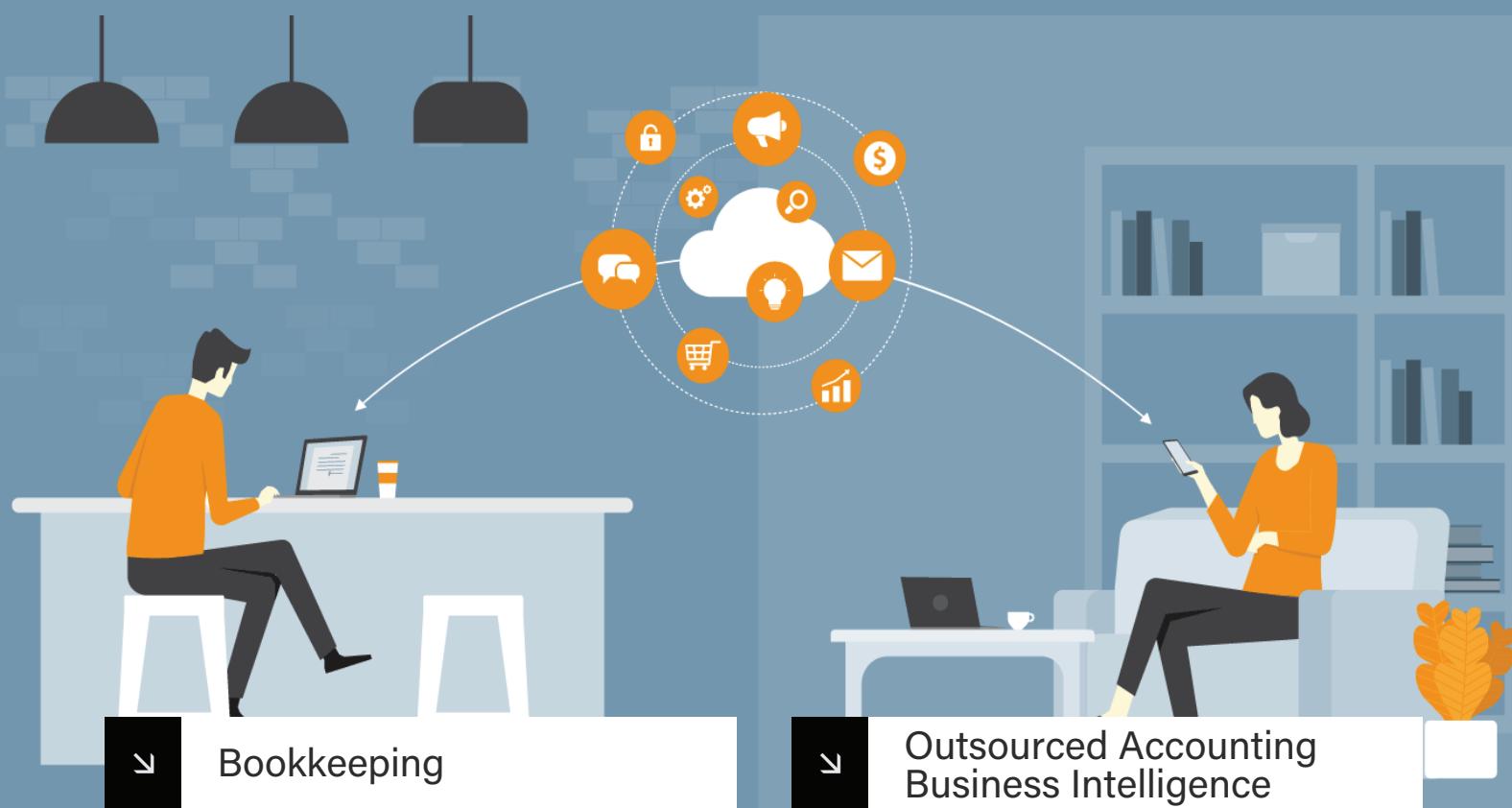
The challenges involved in accounting for auto repair shops are unique, especially because they come with intricate inventory needs, staffing requirements, and a complicated vendor landscape. Here are some of the issues auto care companies often wrangle with:

- ↳ Getting financials completed on time and accurately
- ↳ Making sure financials are done in a way that ensures they pass audits
- ↳ Managing vendor relationships, as well as financial interactions with each one
- ↳ Dealing with shrinkage due to theft or lack of process controls in the shop
- ↳ High operational costs
- ↳ Either not having a qualified office manager or bookkeeper to run your accounts or having an accountant that simply doesn't understand the auto care business
- ↳ Not being able to strike a work/life balance

FOR MANY AUTO CARE BUSINESS OWNERS, THE FIRST STEP IN OVERCOMING THESE CHALLENGES IS TO SHIFT FROM DOING ALL ACCOUNTING IN-HOUSE TO OUTSOURCED AUTO REPAIR SHOP ACCOUNTING SERVICES.

TRANSITION FROM IN-HOUSE TO OUTSOURCED ACCOUNTING

There's a big difference between in-house bookkeeping and the kind of outsourced accounting services you can use to save time and produce business-boosting insights.



Bookkeeping, in the traditional sense, involves keeping track of cash flow and the figures that impact it. The focus of bookkeeping, therefore, is ensuring that all figures align with each other. Bookkeeping, at its heart, is a numbers-driven process.

On the other hand, business intelligence accounting is a performance-driven process. It focuses on discovering insights that can be used to take your auto care business to the next level. This typically involves:

- ↳ Using data to discover different ways to run your operations more efficiently
- ↳ Analyzing the return on investment you get from everything from inventory to personnel
- ↳ Using existing business patterns to strategize the best way to grow your business in the short- or long-term

HOW OUTSOURCED ACCOUNTING POWERS SUCCESS FOR AUTO CARE AND FRANCHISE OWNERS

Outsourcing accounting gives auto care business owners the ability to do what seems impossible: create time. And while “time is money,” it’s also more than that. Extra time paves the way for growing your business and firming up existing relationships with customers and strategic partnerships.

Many auto care business owners, however, invest 40%—or more—of their time wrestling with their own accounting. This time would be far better spent pursuing new opportunities.

Also, some try to free up time by hiring somebody in-house, but this often comes with a hefty price tag and ends up burning a hole in your pocket.

On the other hand, with outsourced accounting services, you can minimize the cost of your accounting while maximizing the quality. This is because you have access to seasoned professionals that know the ins and outs of the auto care business—as well as the kinds of accounting practices that power success.



SMART SOLUTIONS AND DATA-DRIVEN INSIGHTS

A smart solution isn't one that merely makes sense, but also an approach that focuses on intelligently unboxing innovative answers to tough questions. This is where PABS intelligent outsourced accounting can play a pivotal role. You get dedicated professionals who are not just well-versed in bookkeeping, but also in the art and science of discovering ways to:

- ↳ Boost operational efficiency
- ↳ Reduce overhead associated with sourcing parts and materials
- ↳ Get the most out of your payroll dollars
- ↳ Use your financial data to set up key performance indicators (KPIs) that help your business continue to grow and improve

↳ SMART SOLUTIONS

PABS was spawned by the minds of experienced accountants with hundreds of clients under their belts. As these professionals developed their business intelligence solutions, they used some of the most important data in existence, the winning strategies of successful companies.

These winning strategies were transformed into useful analytics that were then built out into graphical representations of businesses, including those involved in auto care. By using PABS outsourced accounting services, you have constant control of your business and full visibility into its operations, no matter where you are in the world. In addition, you benefit from the experience of PABS professionals who know the smart solutions you need to optimize your auto care shop's financials.

↳ DATA-DRIVEN INSIGHTS

As mentioned above, your business has vast volumes of data, both the data stemming from the past and that you generate in real-time. Not only can you use this information to assess business performance, but it becomes a valuable tool when strategizing the next steps to take. For instance, using data, you can gain insights into:

- The kinds of problems your business may face in the future
- The best decisions you can make regarding how to address challenges that limit income or waste resources
- How your business will perform given the possibility of different local and national economic conditions

In short, by using data-driven insights, you can remove much of the guesswork often involved in figuring out the best direction in which to steer your auto care business. Here are a couple of examples that demonstrate the power of business intelligence for auto care companies.

SMART PARTS TRACKING

Inventory control for an auto care business can benefit greatly from outsourced CPA accounting and bookkeeping services driven by business intelligence, particularly because inventory can be such an intricate puzzle. The best inventory control practices involve tracking every single purchase and then reconciling them against a POS system.

At that point, you should take your records pertaining to each verified purchase and compare them to vendor statements. In this way, you can ensure that everything aligns from the moment you purchase your inventory to when a customer buys from you.

In this automated reconciliation process, each part is verified as sold, returned, or added to your existing inventory. This enables you to draw a direct line between vendors in your supply chain and how their products impact both sales and inventory levels.

You can then use this information to figure out which vendors to do business with. For instance, using this data, you can:

- Identify the vendors whose products customers are least likely to return
- Figure out which vendors produce the kinds of products that customers tend to purchase more frequently
- Analyze metrics regarding the ROI you get for each product flowing through your system. Then you can use this data to do more or less business with the vendors producing the stellar—and less-than-stellar—products.

SMART PARTS TRACKING FOR INVENTORY CONTROL

If you are like the vast majority of auto care businesses, you have limited space in which to store inventory. And when it's time to grow your business, space becomes an even more critical commodity. And one of the primary space-eating elements of your business is inventory.

In the auto care industry, perishable items may not be as big of an issue as they are in other business sectors. But there's no shortage of bulky, cumbersome inventory, and by outsourcing your parts tracking system, you can gain a more efficient, space-saving inventory management system.

For example, as you track the financial performance of each piece of inventory, you may discover that it's best to divest in some and invest in others. This is especially true if they consume so much storage room that they're more of a liability than an asset. Instead of keeping large, bulky items in stock, you can use a just-in-time supply strategy where you source them from a close-by provider that can get them to your location within a day or two.

But deciding which items you want to adjust or eliminate all starts with smart parts tracking, which an outsourced accounting solution can provide.

↳ HOW A NEW CAR CARE BUSINESS SUCCEEDED WITH PABS

If you decide to use intelligent outsourced accounting services, you're not alone. Many businesses have already gone this route and enjoyed impressive success.

For example, a new car care business owner wanted to expand his operation into a chain of shops. The problem was that he lacked the crystal clear financial information he would need to structure his business around. Instead of trudging through it on his own or taking a risk on a less experienced accounting services provider, he decided to partner with PABS when he launched his first shop.

His PABS partnership involved using the PABS playbook of best practices for auto care shops and franchise owners. This enabled him to:

- ↳ Produce accurate, reliable, and timely financial reports
 - ↳ Review his reconciliations when and how he needed to
 - ↳ Organize operational procedures
 - ↳ Streamline how critical data flowed through his business
 - ↳ Continually provide accurate, reliable, timely financial reports on a monthly basis
- How did outsourcing with PABS work out for this budding business? Only one year later, the business owner was able to purchase two more shops and had another two in escrow.

↳ WHAT MAKES THE PABS SOLUTION UNIQUE

PABS brings a unique combination of experience and diverse expertise in many different kinds of auto care businesses. For example, PABS can serve a range of different business models, such as franchisees, series of independently owned shops, and standalone businesses.

In addition, PABS has a large team of professionals specifically dedicated to auto care accounting. And these experts have already been used by more than 47 owners in over 190 locations.

PABS' expertise in the auto shop sector comes with unique benefits. For instance, PABS' team can develop incentive models specifically designed to optimize operations for car care businesses. For example, PABS can set up compensation models that reward shops or managers that meet certain benchmarks, such as reducing their cost of goods sold (COGS) below specific levels.

To learn more about how intelligent accounting with PABS can transform your operations, connect with us today.

ABOUT PACIFIC ACCOUNTING AND BUSINESS SERVICES (PABS)

PABS provides a full range of accounting services. PABS knows that running a business is hard work. For the past 14 years, PABS has provided businesses across the globe with precise, consistent, high-quality accounting, tax, finance, and bookkeeping services. As leading experts in financial management, our team of 550+ skilled and experienced professionals based in six locations globally is ready to customize innovative, proven solutions to meet your unique needs.

Our 3200+ clients cover multiple sectors and business cycles, including tax and accounting firms, nonprofits, franchises, and SMBs (small and medium businesses). Our professionals are dedicated to understanding your industry-specific needs, ranging from automotive, online retail, and manufacturing/distributors to restaurants, construction, property management, and more.

Our degreed, experienced, and customer-focused accounting professionals have a proven track record of delivering results. We have deep knowledge of cost reduction and growth strategies and are proficient in industry-leading best practices in accounting, software, and technology. PABS provides secure, real-time, cloud-based access to dashboards, customer portals, and accounting software that can be accessed anywhere at any time. We know what it takes to build a sound and professional tax and accounting practice.

Past 14 years, PABS has provided businesses across the globe with precise, consistent, high-quality accounting, tax, finance, and bookkeeping services





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